

**Illinois Commerce Commission
Initiative on Plug-In Electric Vehicles**

**Workshop 1
Integrated Distribution Company Rules
Report
February 17, 2012**

I. Introduction and Background

The Integrated Distribution Company (IDC) Rules Working Group members -- representing consumer, municipal, Retail Electric Supplier (RES), utility, and Illinois Commerce Commission (Commission or ICC) Staff interests¹ -- welcome the opportunity to respond to the Commission's October 5, 2011 invitation to stakeholders to address five topic areas through informal workshops to aid the Commission in its Final Report on Plug-In Electric Vehicles (PEV) to the Electric Vehicle Advisory Council (EVAC). Specifically, the IDC Rules Working Group was established and was charged to address the following topic area and issue:

(1) Defining the scope of what waivers (if any) to the IDC rules would enhance the utilities' role in facilitating the adoption of PEVs and related services

"The Commission is concerned that aspects of the rules governing ComEd and Ameren as Integrated Distribution Companies (see Title 83, Sections 452.230 and 452.240 of the Illinois Administrative Code) may limit their ability to play a role in facilitating the adoption of PEVs. It therefore may be necessary to consider if a waiver to the IDC rules would allow for appropriate participation by utilities while not hampering the ongoing development of a competitive market for PEV-related programs and services. If workshop participants are interested in pursuing this topic, they may work together to define the scope and parameters of a waiver request that could subsequently be filed by Ameren and/or ComEd." (ICC Letter to PEV Stakeholders, October 5, 2011)

II. Scope of the Report

A. IDC Rules Working Group Approach

The IDC Rules Working Group met by conference call on February 14, 2012 to discuss its findings and consensus opinions for its Report to the Commission. The IDC Rules Working Group looked to the findings and consensus opinions from the very thorough and informative PEV Report of the Rates Working Group, issued to the Commission on December 29, 2011, and

¹ The IDC Rules Working Group includes the following organizations: Citizens Utility Board; Village of Oak Park; NRG Energy; Illinois Competitive Energy Association; Ameren Illinois Company; Commonwealth Edison Company; Northern Indiana Public Service Company; and ICC Staff.

subsequently on January 27, 2012, and the PEV Report of the Consumer Education and Outreach Working Group, issued to the Commission on December 30, 2011, for guidance as to whether or not a waiver to the current IDC rules for Ameren Illinois Company (Ameren Illinois) and Commonwealth Edison Company (ComEd) was necessary, and if so, to what extent the scope of the waiver should be defined in order to enhance the utilities' role in facilitating the adoption of PEVs and related services. The IDC rules govern the limitation that Ameren Illinois and ComEd have on marketing rates, programs, and services so as not to impede the development of competitive retail electricity markets.² The IDC Rules Working Group takes note that, with regard to past precedent, the Commission has exercised much caution and care in granting an IDC rule waiver in order to preserve its legislative mandate to promote the development of an effectively competitive electricity market that operates efficiently and is equitable to all consumers.

The Working Group discussed the residential retail-time pricing (RTP) program offered by Ameren Illinois and by ComEd. Moreover, it specifically addressed three issues that the Working Group should consider in the event the utilities might need to pursue an IDC waiver in order to implement policies for PEV adoption. Those three issues were as follows:

- (1) Policies utilities could implement to facilitate adoption of PEVs (for example, promoting RTP and providing electric vehicle information to customers);
- (2) Whether the IDC rules prevent utilities from implementing any of these policies;
- (3) Should the utilities consider submitting a waiver petition to the Commission in order to implement the identified policies.

B. Rates Working Group Charge

(4) Expanding PEV rate options in order to improve current distribution, transmission and generation asset utilization and to prevent unnecessary and duplicative investment in infrastructure for on-peak charging

"Current statutory and/or regulatory barriers may impede broad availability of dynamic pricing options that could prevent negative system impacts from at home charging PEVs at peak load times. The Commission would be interested in proposals for statutory solutions. If such solutions are needed, stakeholders may wish to provide an analysis and assessment of the potential for dynamic, real-time or time-of-use pricing to prevent or disincent home-charged PEVs from contributing to peak-load congestion and ancillary service power needs, otherwise negatively affecting energy efficiency and/or

² See Ill. Adm. Code, 83: Section 452.230 and 452.240.

other programs, and generally increasing the need for existing generation, transmission or distribution system infrastructure upgrades." (Ibid.)

C. Consumer Education and Outreach Working Group Charge

(2) Developing customer education & outreach plans

"The introduction of PEVs present a wide range of customer education and access to information challenges. To best overcome these challenges, and for customers to maximize the economic and environmental benefits of electric vehicles, the Commission sees a need for customer education and outreach plans." (Ibid.)

D. RTP Program Background and Description

On January 24, 2006, the Commission approved Ameren Illinois and ComEd's proposals to permit residential retail customers to take market-based, hourly energy pricing service under Rider RTP beginning January 2, 2007.³ Those tariff provisions satisfied the requirements of Section 16-107(b) of the Public Utilities Act (PUA) that existed as of January 2006. On June 30, 2006, Public Act 094-0977 became effective and added Sections 16-107(b-5) through (b-25) to the PUA. Ameren Illinois and ComEd subsequently filed new RTP tariffs with the Commission complying with the requirements of Public Act 094-0977, which the Commission approved in December 20, 2006.⁴

The new law required electric utilities with more than 100,000 retail electric customers (i.e., Ameren Illinois and ComEd) to file a tariff or tariffs that allow residential customers to elect RTP. Furthermore, the new law required that such tariffs describe the methodology for determining the market price of energy to be reflected in the real-time rate; the manner in which the customer who elects real-time pricing will be provided with ready access to hourly market prices including, but not limited to, day-ahead hourly energy prices; the selection and compensation of a third party to implement RTP; and utility cost recovery associated with the RTP program. In addition, the Commission is required to monitor the performance of the RTP program and is directed to modify or terminate the program if the Commission finds that the RTP program has not resulted in net benefits to residential customers.

At present, Ameren Illinois implements and promotes its RTP program, Power Smart Pricing (PSP), through a Commission approved third party administrator, CNT Energy. CNT Energy, as Ameren Illinois' program administrator, operates the PSP program, provides customer outreach, enrollment and education, and administers an information system and technical and

³ Ameren Illinois, ICC Docket Nos. 05-0160/05-0161/05-0162 (cons.); ComEd, ICC Docket Nos. 05-0159 and 05-0597.

⁴ Ameren Illinois, ICC Docket Nos. 06-0691/06-0692/06-0693 (cons.); ComEd, ICC Docket No. 06-0617.

other customer assistance. To date, Ameren Illinois has not requested a waiver to the IDC Rules because its program administrator is an independent contractor and, as such, the independent program administrator's activities are not subject to the IDC Rules.

At present, ComEd implements and promotes its Residential Real-Time Pricing (RRTP) program primarily through two program administrators, Comverge and CNT Energy. On October 8, 2008, the Commission approved ComEd's request for a waiver to the IDC Rules, that allowed ComEd to promote, advertise, and market its RRTP Program.⁵ ComEd's rationale for an IDC Rules waiver for its RRTP program included eliminating confusion over the program's brand name and its origin, which includes use of ComEd's logos; leveraging existing ComEd communication channels and promotions; and taking advantage of cross selling opportunities, like marketing RRTP and its Load Guard Automated Price Response Service with ComEd's Central Air Conditioning Cycling.⁶

An RTP program is an hourly pricing program for residential customers, which allows the customer to pay the hourly, wholesale market price for electricity. The main difference between the utility RTP program and its standard fixed-price rate is how the residential customer's cost of electricity supply is calculated. Regardless of the residential customer's electric supply choice -- whether through RTP or through the utility's standard residential rate -- all customers are required to pay Delivery Service charges. These charges are for the utility to maintain the poles, wires, and services required to deliver the electricity to the residential customer and are shown separately on the customer's electric bill.

With the standard residential rate, the customer pays a set price for electricity supply. This price varies by season, and is adjusted periodically, but it does not change from hour to hour or from day to day. The residential customer pays the same price for electricity no matter what time of day or day of the week that the customer uses it.

With the RTP program, the price of the electricity varies from hour to hour based on wholesale market prices. The price that the residential customer pays for electricity depends on the time of day when the customer uses it. The customer's bill will show the total cost for the electricity used, calculated using the hourly market prices and the residential customer's corresponding hourly usage. The RTP program uses day-ahead prices, meaning that the hourly prices for each day are set the evening in advance. Each evening, the price information for the following day is available online and by phone. Under an RTP program, the customer simply pays the actual market price, without mark-up by the utility offering the program.

⁵ ICC Docket No. 08-0411.

⁶ ComEd RRTP Marketing Plan Presentation to ICC Staff and Stakeholders, June 2010.

III. Consensus Opinions

A. IDC Rules Working Group Consensus Opinion

During its February 14 meeting, the IDC Rules Working Group concluded that there were no additional ideas, policies, or strategies presented by interested parties that would require an IDC Rules waiver for Ameren Illinois or an expansion of the current IDC Rules waiver for ComEd to facilitate adoption of PEVs and related services.

At this time, the IDC Rules Working Group consensus opinion is that there is no demonstrated need or compelling evidence for the Commission to consider an IDC Rules waiver for Ameren Illinois to market its residential real-time pricing program, Power Smart Pricing, or for any expansion to the waiver that ComEd currently has to market its Residential Real-Time Pricing program in order to allow these utilities to participate appropriately in PEV-related programs and services as outlined in the Commission's October 5, 2011 stakeholder invitation on this specific topic area. That said, the Working Group does not rule out the possibility that an IDC Rules waiver may be needed for Ameren Illinois or that an expansion of ComEd's current IDC Rules waiver may be needed in the future should a policy consideration or requirement be executed by the Commission, the EVAC, or the Legislature, which the utilities choose or are mandated to implement.

The IDC Rules Working Group bases its consensus opinion upon the findings and consensus opinions from the Rates Working Group Report and the Consumer Education and Outreach Working Group Report. Neither Report points out specific issues or conditions that are or would be detrimental to the utilities' role in facilitating the adoption of PEV's and related services. In short, three findings from these Reports support the IDC Rules Working Group's consensus opinion. One finding is the availability of the residential RTP programs -- PSP and RRTP -- and other rate options from Ameren Illinois and ComEd, as well as the opportunity for RESs to offer competitive PEV product options. A second finding is the lack of existing barriers to tariffed services offered by Ameren Illinois and ComEd. A third finding is that there is an array of consumer education programs from the utilities, EVAC, and other stakeholders. These three findings, which provide the foundation for our consensus opinion, obviate the need for an IDC Rules waiver for Ameren Illinois or an expansion of the current IDC Rules waiver for ComEd by the Commission. At present, the utilities and other market participants appear well-positioned to facilitate the adoption of PEVs and related services in an appropriate manner.

B. Rates Working Group

The PEV Rates Working Group Report's findings indicate that there are no known barriers to the tariffed supply services currently offered by the utilities. According to the Report's consensus opinions on residential rates -- supply pricing and services -- the Rates Working Group's finding "that the existing residential Real-Time Pricing (RTP) Program available from Ameren Illinois and ComEd today, and/or the potential for future time variant price offerings from RESs, demonstrates that sufficient supply offerings are available or will be in the future."⁷ Moreover, the Report's consensus opinion on residential rates -- demand response services -- indicates that "there were no known regulatory or legal barriers to utility or market service offerings. Illinois utilities subject to the Commission's Integrated Distribution Company Rules (83 Ill. Adm. Code 452, Subpart B) are not prohibited from offering tariffed demand response programs, and there are no known impediments to RESs or CPSs making such offerings."⁸ Similarly, the Report's consensus opinion regarding non-residential rates -- supply services and demand response program -- states that "there are no known regulatory or legal barriers to utility or market service offerings."⁹

C. Consumer Education and Outreach Working Group

The Consumer Education and Outreach Working Group Report's findings do not indicate that Ameren Illinois or ComEd's ability to provide certain consumer information about PEVs, at-home charging information, off-peak and available rates information, public and work place charging issues, and integrating renewable energy is limited or impaired to an extent that would be detrimental to the adoption of PEV's and related services. In fact, the Report's Appendix A¹⁰ points out that Ameren Illinois and ComEd have recently launched websites to provide EV-related resources for their customers. Each utility's web-based information source provides a general overview, advantages and benefits, cost comparisons, and other useful information for Illinois consumers. Moreover, the Report states that, in addition to the utilities, there are various "messengers," "actors," and sources from which PEV information is available and that the EVAC is an appropriate forum, given its composition and duties,¹¹ for utility and stakeholder collaboration regarding consumer education and outreach.

Additionally, the Report states that "Illinois utilities and stakeholders should collaborate with automobile companies to educate vehicle sellers on RTP and time-of-use (TOU) rate options for new PEV owners and ensure that effective communication materials are available

⁷ Rates Working Group Report, January 27, 2012, page 3.

⁸ Ibid., page 4.

⁹ Ibid., page 5.

¹⁰ See Report of the Consumer Education and Outreach Working Group, December 30, 2011.

¹¹ See Public Act 097-0089.

through fact sheet, websites, etcetera from a wide-variety of resources."¹² In short, the Report appears to suggest that both utilities are well-positioned to provide important consumer education and outreach through their real-time pricing offerings and rate options coupled with their web-based PEV and other consumer education resources. Utility collaboration with EVAC would enhance the overall effectiveness of consumer education and outreach programs regarding adoption of PEVs and related services. Finally, a variety of other market participants including, but not limited to, the RES community, municipalities, dealerships that sell electric vehicles, and electric vehicle charging station providers may also play an integral role in ensuring valuable consumer education and outreach.

D. Summary

In sum, based on the findings and consensus opinions of both pertinent working groups, the IDC Rules Working Group believes that there is no substantive reason to consider an IDC Rules waiver for Ameren Illinois or any additional waiver or modification of the current IDC Rules for ComEd to enhance the utilities' role in facilitating adoption of PEVs and related services.

¹² Report of the Consumer Education and Outreach Working Group, December 30, 2011, page 5.